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No. 973—L. C. dated Bangalore, 11th November 1938.

Under Rule 8 of the rules for the conduct of business of the Mysore Legislative Council, the accompanying Bill further to amend the Mysore Land Revenue Code, 1888, is published for general information with the statement of objects and reasons.

By Order,

A. SUNDARARAJA RAO,

Secretary,

Mysore Legislative Council.

Bill further to amend the Mysore Land Revenue Code, 1888.

Whereas it is expedient to further amend the Mysore Land Revenue Code, 1888, for certain purposes; It is hereby enacted as follows:—

1. This Act may be called the Mysore Land Revenue Code (Amendment) Act 1938.

2. In Clause (4) of Explanation to Section 79 of the Mysore Land Revenue Code, 1888, hereinafter referred to as the said Code, the word "twelve" shall be substituted for the word "twenty."

3. After Section 87 of the said Code, the following new Section shall be added as Section 87A.

"87A. When owing to inadequate rainfall in any tract, the Government orders remission of assessment in respect of lands in the tract, the payment of the rent or land revenue by a *kadim* tenant to the superior holder in respect of a land in any alienated village comprised in such tract shall be remitted to an amount prescribed by rules by the Government, and the loss of rent or land revenue incurred by the said superior holder shall be divided between the Government and the said superior holder in the proportion of the land revenue payable by the said superior holder to the Government and the total assessment of the village less the land revenue payable by the said superior holder to the Government.

4. After Section 96A of the said Code, the following new Section shall be added, namely.

"96B. All disputes relating to the nature of tenancy under this Chapter shall be decided by the

Deputy Commissioner. If during the introduction of Survey and Settlement, disputes relating to *kadim* and permanent tenancy rights are brought to the notice of the Settlement Officer, he shall make a list of such cases and send it to the Deputy Commissioner for adjudication.

5. (i) Clause (c) of Section 99 of the said Code shall be omitted, and the subsequent clauses renumbered as (c), (d) and (e), respectively.

(ii) In the first proviso to the same Section, for the words "Clauses (c) to (f)," the words "Clauses (c) to (e)" shall be substituted, and the words "under the provisions of Section 236" at the end of the proviso shall be omitted.

6. In Section 111 of the said Code, the following shall be added as a sub-clause of clause (1).

"In the case of lands under holding in an alienated or *kayamgutta* village newly brought under Settlement, the rate of assessment may be fixed a little higher than otherwise but without exceeding the maximum rate applicable to the locality so as not to diminish the existing income derived from them by the Inamdars. The Settlement shall be subject to the rules as to the maximum increase permissible at Re-settlement.

7. For Section 119A of the said Code, the following shall be substituted :—

"119A. Whenever it appears to the Government that an alienated village is being grossly mismanaged during the period of the minority or of unsoundness of mind of the holder, or that it is expedient in the public interests to take over the management of an alienated village by Government, on account of the incapacity of the holder or any other cause, the Government may, by notification in the official Gazette, order the Deputy Commissioner or any officer of Government to assume the management of such village temporarily on behalf of Government, provided that in the latter case, the assumption shall not be made without giving notice to the holder and affording him a reasonable opportunity to be heard and to adduce evidence to show that he is fit to manage the village. Government may, by a like order, release the property from its management as soon as the holder ceases to be a minor or the disability has ceased or for any other reason."

8. After Section 119A of the said Code, the following shall be added as Section 119B:—

“119B. When not less than 50 per cent of the tenants in an alienated village apply to the Deputy Commissioner that the village should be taken under Government management on account of disputes or misunderstandings between them and the *Inamdar*, the Deputy Commissioner shall hold a formal enquiry, and if satisfied that it is necessary to take over the village, he shall make a recommendation to Government. Similarly when an *Inamdar* or where the village is held in shares or *vritties*, not less than 50 per cent of the *vrittidars* apply to the Deputy Commissioner that the village should be taken under Government management on account of misunderstandings between them and their tenants, or on account of disputes amongst themselves or for other valid reasons, the Deputy Commissioner shall hold a formal enquiry and if satisfied that the village should be taken over, he shall make a recommendation to Government. Government may thereupon order the Deputy Commissioner or any other officer of Government to assume the management of such village temporarily on behalf of Government. Management assumed under this Section shall not be for a period of less than 8 years and 9 per cent of the revenue of the village shall be charged to the *Inamdar* towards the cost of administration.”

9. To Section 193 of the said Code, the following clause shall be inserted between the two clauses beginning with “and all moneys due” and “and also all sums declared”, “and all sums due from a tenant in an alienated village as contribution, in respect of any irrigation work, under a contract which provides that they shall be recoverable as arrears of land revenue.”

10. Section 236 of the Land Revenue Code shall be omitted.

11. In Section 237 of the said Code, the proviso, at the end, shall be omitted and for the colon at the end of the first portion of the Section, a full stop shall be substituted.

Statement of objects and reasons.

In passing orders on the recommendations of the Committee appointed for suggesting measures for improving the condition of tenants in *inam* and *jodi* villages,

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Government accepted several of the recommendations and stated that necessary changes would be made in the existing law. With a view to implement the orders, it is proposed to amend the Land Revenue Code as hereunder:—

It is proposed to delete Section 236 and amend sections 237 and 111 so as to enable Government to introduce Survey and Settlement compulsorily into *inam* villages. The amendment provides that in so introducing settlement, the interests of the tenants or the *jodidars* are not affected and that while the tenants get the benefit of the general rules as to the maximum extent of increase permissible over the existing assessment for the village and for the individual fields, the existing income of the *inamdars* is not reduced.

Sub-clause (c) of Section 99 which gives discretion to the *inamdar* to vary the time at which and the instalments in which the land revenue or rent shall be payable is proposed to be deleted so that the system of *khists* prevailing in Government villages may be invariably adhered to.

With a view to enlarge the scope for taking *inam* villages under Government management as recommended by the Inam Committee, it is proposed to add a new section after Section 119A to enable Government to assume the management of *inam* villages at the instance of either the tenants or the *inamdars* subject to certain conditions. Section 119A is also proposed to be amended so as to enable Government to take over the management of an *inam* village on account of the incapacity of the holder to manage the village or for other cause.

In order to secure for *kadim* tenants in alienated villages in a tract affected by adverse seasonal conditions, the benefit of remission in rent similar to that which may be granted by Government, in Government villages in the tract under the remission rules, it is proposed to insert a new section as Section 87A.

At present there is no provision of law under which contribution payable to a holder of an *inam* village under the terms of the *mutchalika* executed by a raiyat in respect of an irrigation work in the *inam* village, can be recovered as an arrear of revenue by summary process under the Land Revenue Code. To remove this difficulty

which stands in the way of the construction and restoration of irrigation works in *inam* villages, Section 193 is proposed to be suitably amended to provide for recovery by summary processes of contribution due from the *atchkatdars*.

Section 79 of the Code is proposed to be amended so as to reduce the period of continuous possession or payment of fixed rent on the part of a tenant for raising the presumption of tenancy from 20 to 12 years. A new section is proposed to be added as Section 96B to empower Deputy Commissioners to decide all questions relating to nature of tenancy.

No. 974—L. C., dated Bangalore the 11th November 1938.

Under Rule 8 of the rules for the conduct of business of the Mysore Legislative Council, the accompanying Bill to provide for the mixture of Alcohol with Petrol for use as Motor Fuel in Mysore is published for general information with the statement of objects and reasons.

By Order,

A. SUNDARARAJA RAO,

Secretary,
Mysore Legislative Council.

**Bill to provide for the mixture of Alcohol with Petrol
for use as Motor Fuel in Mysore.**

Preamble.—Whereas it is expedient to make provision for the development of the Power Alcohol Industry in the State by requiring its compulsory admixture with petrol for use as motor fuel; It is hereby enacted as follows :—

1. (i) *Short Title and Extent.*—This Act may be called the Mysore Power Alcohol Act, 193.

(ii) It extends to the whole of Mysore.

2. *Definitions.*—In this Act, unless there is anything repugnant in the subject or context—

(a) “Distillery” means any premises wherein or

within the precincts of which alcohol is distilled from molasses;

(b) "Petrol" means dangerous petroleum as defined in the Mysore Petroleum Act, I of 1923.

(c) "Alcohol" means ethyl alcohol of not less than 99.5 per cent purity with the addition of suitable denaturant that may be prescribed under the rules.

3. (i) The Government may, by notification in the official Gazette, direct that in any local area no petrol shall, from such date as may be specified in such notification, be sold or kept for sale except with an admixture of anhydrous alcohol manufactured in the State.

Power to direct sale of mixture.

(ii) The alcohol to be employed for such admixture shall be obtained from a distillery established by or with the sanction of Government and the price to be paid to the owner of the distillery for the alcohol shall be fixed by Government from time to time.

(iii) The proportions of petrol and alcohol in such mixture shall be as notified by Government in respect of each local area and may be enhanced or reduced from time to time but the proportion of alcohol in the mixture shall in no case be more than 25 per cent or less than five per cent by volume.

4. Government may levy an excise duty on alcohol intended for admixture with petrol sold by any distillery governed by this Act at rates to be fixed by a notification published in the official Gazette.

Levy of excise duty.

5. Whoever contravenes the provisions of Section 3 shall be punishable with fine which may extend to one thousand rupees and in the case of a continued contravention with a further fine which may extend to one hundred rupees for every day during which the contravention is continued after conviction therefor.

Punishment.

6. No prosecution under this Act shall be instituted except under the authority of a District Magistrate.

Prosecution to be authorised.

7. No offence made punishable by this Act or by any rule made thereunder shall be tried by a court inferior to that of a Magistrate of the First Class.

Offences by whom to be tried.

8. (i) The Government may make rules for the purpose of carrying into effect the provisions of this Act.

(ii) In particular and without prejudice to the generality of the foregoing power, such rules may—

Power to make rules.

(a) prescribe specifications and tests in respect of the purity of alcohol intended for

- admixture with petrol in order to ensure its suitability for use on motor vehicles ;
- (b) provide for determining the price to be paid to the owner of a distillery for alcohol supplied for purposes of admixture with petrol ;
 - (c) provide for imposing and collecting a duty of excise on alcohol intended for admixture with petrol ;
 - (d) prescribe conditions in respect of the transport and storage of alcohol intended for admixture with petrol and for the manner in which the admixture is to be effected ;
 - (e) prescribe the submission by the manufacturer of alcohol and importers and distributors of petrol of returns regarding the quantities of anhydrous alcohol and petrol, manufactured, purchased, stored and sold.

(iii) Rules made under this Act may provide that any contravention of such rules shall render the offender liable, on conviction before a Magistrate, to a fine not exceeding five hundred rupees.

Exemption of
petrol used
for aviation.

9. Nothing contained in this Act shall apply to petrol required for aviation.

Statement of objects and reasons.

The profitable disposal of molasses is a problem that is facing the Sugar Industry in India and the suggestion has been made that a way may be found for the disposal of a portion of the alcohol made from molasses by prescribing that the fuel used in motor vehicles should contain a percentage of anhydrous alcohol blended with petrol. Such a mixture has been prescribed in a number of countries to encourage the use of local materials to some extent and to minimise dependence on imported supplies of motor fuel.

Investigations in India and abroad have shown that the mixture, provided the alcohol is not less than 99.5 per cent purity and its proportion is limited to about 25 per cent, is not less efficient in its fuel value than petrol and that its anti-knock properties constitute an advantage for the smooth running of vehicles. No change is called for in the mechanism of the engine or any other part of

the motor and the mixture can be used in the same manner as petrol.

The Mysore Sugar Company expect to have the plant for the manufacture of anhydrous alcohol before the end of the year and the object of this Bill is to enable Government to prescribe in respect of areas notified for the purpose that anhydrous alcohol should be mixed with petrol before it is sold to the public, to prescribe the percentage of alcohol, its purity and price, to prescribe the rate of excise duty to be levied on alcohol and to provide for punishments for the contravention of the Act or rules to be made thereunder.

Necessary arrangements will be made with the petrol companies for the proper blending and sale of the mixture and to regulate the price at which the mixture is sold.

No. 980—L. C. dated Bangalore, 15th November 1938.

Under Rule 8 of the rules for the conduct of business of the Mysore Legislative Council, the accompanying Bill further to amend the Cattle Trespass Act, 1871, is published for general information with the statement of objects and reasons.

By Order,

A. SUNDARARAJA RAO,

*Secretary,
Mysore Legislative Council.*

Bill further to amend the Cattle Trespass Act, 1871.

Whereas it is expedient further to amend the Cattle Trespass Act, 1871; It is hereby enacted as follows:—

In Section 14 of the Cattle Trespass Act, 1871,—

- (a) In paragraph one after the words "seven days" the following words shall be inserted, namely "or within three days in the case of asses impounded", and

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- (b) In paragraph *three* after the words "seven days" the following words shall be inserted, namely, "or within four days in the case of asses impounded."

Statement of objects and reasons.

Under Section 14 of the Cattle Trespass Act, 1871, asses impounded in the cattle pounds of the local bodies shall have to be disposed of by auction only after a detention of 14 days. It is found by experience that such a procedure results in loss especially to the municipal councils concerned, the realisations by the sale of the impounded asses after the prescribed period of 14 days being considerably less than the feeding charges incurred by the local body during the period. In order to overcome this difficulty, it is proposed to reduce the period of detention of asses in pounds from 14 days to 7 days. The Bill is intended to give effect to this decision.

No. 975—L. C., dated Bangalore the 11th November 1938.

Under Rule 8 of the rules for the conduct of business of the Mysore Legislative Council, the accompanying Bill to provide for the establishment and better regulation of Agricultural Markets in Mysore is published for general information with the statement of objects and reasons.

By Order,

A. SUNDARARAJA RAO,
Secretary,
Mysore Legislative Council.

Bill to provide for the establishment and the better regulation of Agricultural Markets in Mysore.

Preamble.—Whereas it is expedient to provide for the establishment of open markets for the purchase and sale of cotton and of other agricultural produce in the State and for the better regulation of such markets: It is hereby enacted as follows. —

1. *Short Title.*—This Act may be called the Mysore Agricultural Produce Market Act, 193—.

2. *Extent and Commencement.*—It extends to the whole of Mysore. It shall come into force on such date as the Government may, by notification in the official Gazette, appoint.

3. *Definitions.*—In this Act, unless there is anything repugnant in the subject or context :—

(a) "Agricultural Produce" means any produce of agriculture or horticulture and includes all produce of animals and their hides, skins and wool, and any article of food or drink wholly or partially manufactured from agricultural produce and declared by the Government of His Highness the Maharaja of Mysore by notification in the official Gazette to be agricultural produce for the purpose of this Act.

(b) "Cotton" includes ginned cotton, unginned cotton and cotton waste.

(c) "Market" means a market established under Section 4.

(d) "Grower of cotton or other agricultural produce" shall not include a dealer or broker in cotton or other agricultural produce although such a person may grow the same. If a question arises whether any person is a grower or not for the purpose of this Act, the decision of the deputy commissioner of the district in which the person permanently resides shall be final.

(e) "Local body" means the district board, municipal committee or a union board, duly constituted, as the case may be.

(f) "Notified area" means an area notified under Section 4.

(g) "Prescribed" means prescribed by the rules or the bye-laws under this Act.

4. (1) *Notification regarding the establishment of an Agricultural Produce or Cotton Market.*—The Government may, after consulting the district board and such other local authorities as they deem necessary or upon a representation made by such local authorities, by notification in the official Gazette, declare that any place shall be a market established under this Act either for agricultural produce or for cotton or for both.

(2) Every such notification shall define the limits of the markets so established, and may, for the purposes

of this Act, include within such limits such local area as the Government may prescribe.

5. *The Market Committee.*—For every market there shall be a market committee. The market committee shall be constituted as prescribed and shall consist of not less than twelve and not more than sixteen members. Of these, not less than half shall be persons elected by or nominated from among the growers of agricultural produce or cotton of such area as the Government may prescribe, one shall be a member nominated by the Government, one shall be elected by the district board of the district in which the market for cotton or agricultural produce is situated, one by the municipality, if any, of the area in which the market is situated, and the remainder shall be elected by the traders in the market in such manner as may be prescribed.

It shall be the duty of the market committee to enforce the provisions of this Act and the rules and bye-laws made thereunder in such notified area, for the purpose of regulating the purchase and sale of agricultural produce.

6. *Rules.*—(1) The Government may, either generally, or specially for any market or group of such markets, make rules consistent with this Act for the purpose of the management and regulation of such markets under this Act.

(2) In particular, and without prejudice to the generality of the foregoing power such rules may provide for or regulate:—

- (i) the election and nomination of members of the market committee, the number of members to be nominated or elected by such of the bodies or groups of individuals referred to in Section 5 and the manner of nomination or election, the preparation and revision of lists of voters from time to time, the payment of all expenditure in connection with or incidental to such nomination or election and the terms of office of such members;
- (ii) the powers to be exercised by the market committee;
- (iii) the election of the chairman of such committee and his term of office;

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- (iv) the filling of casual vacancies in the offices of members or in the office of the chairman of the committee;
 - (v) the management of the market and the prescribing of the fees by the market committee, and, subject to the provisions of this Act, the collection and disposal of such fees;
 - (vi) the issue by the market committee of licences to brokers, weighmen, measurers, surveyors and warehousemen and other persons using the market, the form in which and the conditions under which such licences shall be issued, and the fees to be charged for such licences;
 - (vii) the place or places at which cotton or agricultural produce shall be weighed or measured and the kind and description of scales, weights and measures to be used at such place or places;
 - (viii) the periodical inspection, verification and correction of all scales, weights and measures in use in the market;
 - (ix) the trade allowances which may be made or received by any person in any transaction in an agricultural produce in a market;
 - (x) the provision of any facilities for the settlement of any dispute between a buyer and a seller of any agricultural produce in the market or their agents including disputes regarding the quality or weight of the cotton or agricultural produce, the price or rate to be paid, the allowances for wrappings, dirt or impurities or deductions for any cause;
 - (xi) the prohibition of brokers from acting on behalf on both the buyer and seller in any transaction;
 - (xii) the manner in which the auctions shall be conducted and bids made and accepted in any market;
 - (xiii) the provision of storage arrangements for cotton and agricultural produce brought into the market and charges to be levied for the same;

- (xiv) the preparation of the plans and estimates for works proposed to be constructed partly or wholly at the expense of the market committee, and the grant of sanction to such plans and estimates;
- (xv) the form in which the accounts of the market committee shall be kept, the manner in which they shall be audited, and the time or times at which they shall be published as also the charges, if any, to be made for such audit;
- (xvi) the preparation of an annual budget and its submission for sanction and reports and returns which shall be furnished by the market committee.
- (xvii) the disposal of any surplus funds of the market committee;
- (xviii) generally for the guidance of the market committee.

(3) Any such rules, may, when necessary, provide that any contravention thereof or of any of the conditions of any license issued thereunder shall, on conviction by a magistrate, be punishable with fine which may extend to five hundred rupees.

(4) (a) All rules made under this Section shall be subject to previous application.

(b) Any rule, shall, however, be liable to be rescinded or modified, subject to previous publication.

7. *Bye-laws.*—Subject to any rules made by the Government under the last preceding Section and with the previous sanction of such officer as may be appointed by Government in this behalf the market committee may, in respect of the market under its management, make bye-laws for the regulation of the business and the conditions of trading in such market and may provide that contravention thereof shall, on conviction by a magistrate, be punishable with fine which may extend to fifty rupees.

8. *Sub-committees and Joint Committees and Delegation of Powers.*—The market committee may appoint three or more of its members to be a sub-committee or to be a joint committee for the conduct of any work or works or to report on any matter or matters, and may delegate to any

one or more of its members such of its own powers as may be necessary.

(9) (1) *Appointments and Salaries of Servants of the Market Committee.*—Subject to such rules as may be made by the Government in this behalf, the market committee may employ such officers and servants as may be necessary for the management of the market and may pay such officers and servants such salaries as the committee thinks fit and shall have power to control and punish them. The committee may, in the case of any officer or servant of Government which it employs, pay such pension, contribution, gratuity or leave allowance as may be required by the regulations made by Government in this behalf and for the time being in force.

(2) The committee may also, in the case of any of its officers and servants provide for the payment to them of such leave allowances, pensions or gratuities as it deems proper; and may contribute to any provident fund which may be established for the benefit of such officers and servants.

(3) The powers conferred by this Section on the market committee shall be exercised, subject to any rules which may be made in this behalf by the Government.

10. (1) *Contracts how executed.*—Every contract entered into by the market committee shall be in writing and shall be signed on behalf of the market committee by the chairman and two other members of the market committee.

(2) No contract other than a contract executed as provided in sub-section (1) shall be binding on a market committee.

11. (1) *The Market Committee Fund.*—All monies received by a market committee shall be paid into a fund to be called the "Market Committee Fund" and all expenditure incurred by the market committee under or for the purposes of this Act shall be defrayed out of the said fund, and any surplus remaining after such expenditure has been met shall be invested as may be prescribed in the rules made in this behalf.

(2) Every market committee shall pay to the Government, out of its fund, the cost of any special or additional staff employed by the Government, in consultation with the committee, for giving effect to the provisions of this Act, in the market concerned.

(3) The Government shall determine the cost of such special or additional staff and shall, where the staff is employed for the purposes of more than one market committee, apportion such cost among the committees concerned in such manner as they think fit. The decision of the Government determining the amount payable by any market committee shall be final.

12. *Purpose for which the Market Committee Fund may be expended.*—Subject to the provisions of Section 11, the market committee fund shall be expended for the following purposes only:—

- (i) the maintenance and improvement of the market.
- (ii) the construction and repair of buildings which are necessary for the purpose of such market and for the health, convenience and safety of the persons using it;
- (iii) the pay, pensions, leave allowances, gratuities and pensions or provident fund contributions of the officers and servants employed by the market committee;
- (iv) the expenses of and incidental to election;
- (v) the acquisition of a site or sites for the market;
- (vi) the provision and maintenance of standard weights and measures;
- (vii) the payment of interest on loans that may be raised for purposes of the market and the provision of a sinking fund in respect of such loans;
- (viii) the collection and dissemination of information regarding all matters relating to crop statistics and marketing in respect of the agricultural crops concerned, and
- (ix) propaganda in favour of agricultural improvement and thrift.

13. *No Trade Allowance not recognised by Customs or Rules allowable.*—No trade allowance, other than an allowance prescribed by rules or bye-laws made under this Act, shall be made or received by any person in any transaction in a market established under this Act and no civil court shall, in any suit or proceeding arising out of any transaction in any such market, have regard to any trade allowance not so prescribed.

Explanation.—Every deduction other than deductions on account of deviation from sample when the purchase is made by reference to a sample, or on account of deviation from standard, when the purchase is made by reference to a known standard, or on account of difference between the actual weight of the sacking and the standard weight, or on account of the admixture of foreign matter, shall be regarded as a trade allowance for the purposes of this Act.

14. *Market Committee to be a Body Corporate.*—Every market committee shall be a body corporate by the name of the “The Market Committee of.....” and shall have perpetual succession and a common seal, and may sue and be sued in its corporate name, and shall be competent to acquire and hold property both moveable and immoveable, to lease, sell or otherwise transfer any moveable or immoveable property which may have become vested in or been acquired by it, and to contract and do all other things necessary for the purpose for which it is established.

15. (1) *Power to Borrow.*—Every market committee may, with the previous sanction of the Government, raise the money required for carrying out the purposes of this Act on the security of any property vested in and belonging to the market committee, and of any fees leviable by the market committee under this Act. The committee may, for the purpose of meeting the initial expenditure on lands, buildings and equipment required for establishing the market, obtain a loan from the Government.

(2) The conditions under which such money shall be raised and the time within which the same shall be repayable shall be subject to the previous sanction of Government.

16. (1) *Supersession of Market Committee.*—If in the opinion of Government a market committee is not competent to perform or persistently makes default in the performance of the duties imposed on it by or under this Act, or exceeds or abuses its powers, Government may, by an order published in the official Gazette, declare such market committee to be incompetent, or in default, or to have exceeded or abused its powers, as the case may be and may supersede it.

Provided that before issuing a notification under this sub-section, the Government shall give a reasonable opportunity to the market committee for showing cause

against the proposal and shall consider the explanations and objections, if any, of the said committee.

(2) When a market committee has been superseded, all members of the committee shall as from the date of the order vacate their offices as members.

(3) When a market committee has been superseded, the Government may, at their discretion, by order, either constitute a new committee under Section 5, or make such arrangements for the carrying out of the functions of the committee as the Government think fit.

(4) When a market committee has been superseded all property and rights vested in it shall, subject to all charges and liabilities affecting the same, vest in Government.

Provided that if the Government make an order under sub-section 3, they shall transfer the assets and liabilities of the market committee as on the date of such transfer, to the new committee constituted under Section 5 or to the person, or persons if any, appointed for carrying out the functions of the committee, as the case may be.

Provided further that if no new market committee is constituted for the market under Section 5, all property that shall remain after the satisfaction of all the debts and liabilities of the superseded market committee shall vest in the local authority of the area in which the market is situated for the purpose of any object of public utility in the said area.

Any local authority to which any assets have been transferred under the latter proviso shall employ such assets for any object of public utility in the area within its jurisdiction.

17. *No Private Market to be opened in or near places declared to be Markets.*—Wherever the Government has, by a notification under Section 4, declared any place to be a market no person shall, within the limits of such market or within a distance thereof to be notified in the official Gazette in this behalf in each case by Government, except with the sanction in writing of the Government expressed over the signature of a Secretary to Government and subject to such conditions as may be imposed in such sanction, set up, establish or continue or allow to be continued any market for the purpose of the purchase and sale of cotton or agricultural produce as the case may be.

Explanation.—A person shall not be deemed to set up, establish or continue or allow to be continued a place as a market for the purpose of the purchase and sale of cotton or agricultural produce if he sells his own cotton or agricultural produce outside the premises set apart by the market committee for the purpose of purchase and sale of cotton or agricultural produce.

18. *Penalties.*—Whoever in contravention of this Act, sets up, establishes, continues or allows to be continued any market for the purpose of the purchase and sale of cotton or agricultural produce or violates the conditions under which he has been allowed to set up, establish, or continue, any such market, shall on conviction by a magistrate be punished with fine which may extend to Rs. 500 and in case of a continuing breach of the provisions of Section 17, with fine which may extend to Rs. 100 for each day after the first, during which the breach continues.

19. *Offences to be triable only by a First Class Magistrate.*—(i) No offence under this Act or under any rule made under Section 6 or under any bye-laws made under Section 7 shall be triable by a Magistrate other than a Magistrate of the First Class.

(ii) All fines and damages recovered from an offender shall be paid to the market committee.

(iii) Prosecutions under this Act may be instituted by any person duly authorised in writing by the market committee or by an officer designated by Government in this behalf.

Statement of objects and reasons.

Considering the disabilities under which the cultivator labours in selling his produce, the Royal Commission on Agriculture recommended the establishment of regulated markets as a most "hopeful solution of the cultivator's marketing difficulties." They considered that the establishment of regulated markets must form an essential part of any ordered plan of agricultural development in the country.

The facts elicited during the recent marketing surveys point to the same conclusion. These surveys have shown that owing to the prevalence of uneconomic and fraudulent practice in the marketing of agricultural produce, the

cultivator gets much less than his due share of the price paid by the ultimate consumer. The Marketing Officers' Conference held at Simla in September 1937 accordingly recommended legislation for the establishment of regulated markets in Provinces and States where such legislation had not already been introduced.

A similar recommendation has been made, with reference to cotton in the Chitaldrug District, by a Sub-Committee of the Board of Industries and Commerce in Mysore, which surveyed the conditions of cultivation and marketing of commercial crops in that District. It is believed that the cotton-growers and many of the merchants in cotton in the State also favour such legislation.

It is therefore proposed to introduce the accompanying Bill with a view to the establishment of regulated markets for cotton at Chitaldrug and Davangere, in the first instance. At the same time, the Bill is wide enough in its scope to admit of similar action being taken in other places and in respect of other agricultural produce (including dairy products) should the need and opportunity arise.

According to the Bill, Government may after consulting the local bodies concerned, declare any place as a market for specified agricultural produce. Subject to rules framed by Government, the market will be under the control of a committee in the composition of which the representatives of the growers as well as of the traders in the market will be represented. The Committee will be a body corporate administering the market fund and exercising the powers conferred upon it for regulating transactions, settling disputes, etc.

When a place has been declared as a market, no person may set up, continue or allow to be continued, any private market in the immediate vicinity of the regulated market except with the sanction of Government and on such terms as may be prescribed in such sanction. It is, however, to be noted that this will not preclude the grower of agricultural produce from selling or offering for sale such produce outside the premises of the market.